

SOUTHWEST ASIA

Afghanistan

I. Summary

Despite strong statements by President Karzai in January 2002; an Afghan government-led, British-supported eradication campaign in spring 2002; and alternative livelihoods assistance that has begun to flow to the poppy growing areas, Afghanistan's 2002 opium cultivation was 30,750 hectares, according to the U.S. estimate. The UNODC estimated that more than twice as much land in Afghanistan was sown to poppy. The U.S. estimate for poppy cultivation is up from the 2001 level of 1,685 hectares. The low 2001 level was a one-year deviation from a decade of high-level opium production and was the result of the Taliban poppy ban. By the time Hamid Karzai became head of the then-Interim Government in December 2001, however, the poppy crop reflected in the 2002 cultivation figures was already in the ground. Afghan farmers continued to cultivate poppy as a risk-avoidance response to continuing drought conditions and lack of credit, farm inputs, and markets for other agricultural products. Afghanistan returned to its former position as the world's largest producer of illicit opium. Also contributing to the increase was the chaotic situation in Afghanistan following the fall of the Taliban in late 2001, and the limited enforcement reach of the new government.

During 2002, the Afghanistan Interim Authority (AIA), followed by the Transitional Islamic State of Afghanistan Government (TISA), took several important first steps to control its enormous drug problem. On January 17, 2002, President Karzai issued a decree banning cultivation, production, processing, illicit trafficking, and abuse of narcotics drugs. He issued further decrees in September and October, which designated Afghanistan's National Security Council (NSC) as the body responsible for drug control, established within the NSC a Counternarcotics Department (CND), and named its Director. International drug control coordination meetings were held in Kabul in July and October, resulting in the formation of five working groups headed by line ministries to implement the five subject areas of the national drug control strategy currently in draft. With this drug control architecture in place, Afghanistan is in a good position to carry out the goals and objectives of the 1988 UN Drug Convention, to which it is a party. Unfortunately, the new government's excellent intentions and initial organizational successes in Kabul had no real short-term effect on opium production in the countryside. Effective steps to reduce opium production in Afghanistan remain a challenging future task for the new government, assisted by the international community. Help with developing alternative livelihoods for Afghanistan's opium farmers will be crucial to the success of any opium crop reduction strategy.

II. Status of Country

The size of the opium harvest in 2002 makes Afghanistan the world's leading opium producer. Trafficking of Afghan opium and heroin refined in numerous laboratories inside Afghanistan creates serious problems for Afghanistan and its neighbors. It corrupts local authorities, is a major factor in the rising heroin addiction in refugee and indigenous populations, and provides funds for those who wish to destabilize the country. Afghanistan also produces, consumes, and exports a large amount of hashish. Increasing numbers of Afghans, especially women, are found to be poly-drug abusers, generally using a combination of opium, hashish, and pharmaceutical drugs such as Valium, which are cheaply and readily available. Afghanistan does not have in place any effective laws to control precursor and essential chemicals or money laundering.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In December 2001 the Afghan Interim Authority (AIA) under Chairman Hamid Karzai was formed as the key outcome of diplomatic discussions yielding the Bonn Agreement. The

Agreement specified that the Interim Authority shall cooperate with the international community in the fight against terrorism, drugs, and organized crime. The Agreement also required that the AIA commit itself to respect international law and maintain peaceful and friendly relations with neighboring countries and the international community. Control of drugs, crime, and terrorism continued to be featured at the top of the political agenda at all international fora related to the recovery, rehabilitation, and reconstruction process in Afghanistan. In addition, two major international coordination meetings focusing exclusively on drug control issues were held in Kabul in July and October 2002. The National Development Framework drafted in April 2002 incorporates the government's determination to eliminate poppy cultivation and to reestablish security and the rule of law, including law enforcement.

President Karzai issued a decree on January 17, 2002, banning cultivation, production, processing, illicit trafficking, and abuse of narcotic drugs. On April 3, 2002, the AIA issued an executive order to eradicate opium poppy fields in the country, with compensation being paid to farmers who eradicated. The eradication process started on April 8, 2002, in Helmand and Nangarhar Provinces. Approximately 16,500 hectares were eradicated. On September 4, 2002, as the season for planting poppy for the 2003 harvest approached, President Karzai issued another very strong declaration urging farmers not to plant poppy. In addition, the TISA sought support from the provincial governors and religious leaders for implementing the poppy ban. Nevertheless, the number of hectares of poppy eventually harvested during 2002 makes Afghanistan the world's leading opium producer this year. However, cultivation in Afghanistan was reduced substantially from the record levels of the late 1990s.

Given the recent tumultuous events in Afghanistan, it should be no real surprise that the new government's efforts to organize itself to deal with Afghanistan's monumental drug problem met with some difficulties. In February 2002, the AIA reactivated the State High Commission on Drug Control (SHCDC) in Kabul as an inter-ministerial coordinating body with the objectives of eliminating cultivation of illicit drugs, and reducing drug trafficking and drug abuse in Afghanistan. However, the SHCDC received little or no donor support because the AIA quickly realized that the SHCDC was at best an inefficient, and at worst, a corrupt organization incapable of formulating and implementing a strong national drug control policy. As a result, the government declined to approve a UNODC capacity-building project intended to strengthen the SHCDC.

As preparations began for the first international drug control coordination meeting to be held in Kabul on July 23, 2002, SHCDC provided no assistance to the British (who have the lead on counternarcotics assistance for Afghanistan). Therefore, the British were forced to work with senior Afghan leaders to organize this first and very important international drug control coordination meeting. Although the meeting laid out a British-drafted strategy and framework for tackling the drug problem in Afghanistan, the leadership vacuum at SHCDC continued. Furthermore, most donors, the UNODC included, were not yet organized to begin delivering assistance to implement the draft framework.

To address SHCDC's inaction, President Karzai named his National Security Council (NSC) as the body responsible for Afghanistan's counternarcotics efforts. Unfortunately, he left the SHCDC in place. This ambiguity proved unworkable and confused donors seeking to assist the government's counternarcotics efforts. Finally, on September 19, 2002, President Karzai signed an executive order naming Haji Mirwais Yasini as Director of the Counternarcotics Department (CND) of the NSC, followed by a decree on October 7, 2002, stating: "As of now the National Security Advisor office of the Transitional Islamic Government of Afghanistan is responsible for handling activities related to preventing drug production, use and drug trafficking. The SHCDC is directed to work under this office. In addition, all national and international organizations working in the drug control field should coordinate their activities with the office of the National Security Advisor."

The NSC CND Director quickly leapt into action, with support from the UK, UNDCP and U.S., to prepare for the second international drug control coordination meeting. The NSC CND sent letters to line ministries in each of four sectors—alternative livelihoods, law enforcement, judicial reform, and demand reduction—asking them to form a working group of relevant ministry representatives, UN organizations,

and leading bilateral donors. The NSC CND itself took the lead in the area of building government counternarcotics capacity. Each working group prepared a plan of action to present at the October 17, 2002, international drug coordination meeting. These action plans, which are now incorporated in the draft National Drug Control Strategy, provide the framework within which TISA can implement the goals and objectives of the 1988 UN Drug Convention. In addition, a new drug law, intended to meet international standards, is under consideration by TISA.

Accomplishments. The Afghan-led, UK-supported eradication effort, although fraught with difficulties in fairly compensating farmers who verifiably had eradicated their poppy crops, clearly reduced the level of production in 2002 to an amount significantly below the high levels of the late 1990s. In addition, the eradication campaign apparently has had some effect on farmers' future planting decisions. There is anecdotal evidence that, as of December 2002, farmers in some areas were delaying planting to try to better assess the likelihood that, if they planted poppy, they would be able to harvest it. Alternative livelihoods assistance is beginning to be evident in poppy areas, and the Ministry of Rural Rehabilitation and Development is playing a strong role in coordinating assistance in this area. The U.S. provided \$14 million during 2002 in "Cash for Work" Programs with a direct and immediate benefit for the rural economy. Collapsed and long-abandoned infrastructure, vital to rural crops, (e.g., silt-clogged irrigation canals) were rehabilitated through this program. Longer term efforts focused on the introduction of cotton in certain areas, and grapes for raisins in others were also advanced in sub-projects under the general "Cash for Work" project. The tribal leader in Nad-i-Ali District of Helmand Province, the largest-producing district in Afghanistan, wrote a letter to the U.S. Government saying that because we were providing assistance in rehabilitating the irrigation canal system, his people promised not to plant poppy. Nevertheless, systematic and effective drug enforcement efforts are still a notable missing piece of TISA's drug control efforts, and realistically, developing alternative crop regimes to traditional poppy production in Afghanistan will be a very long term effort.

Law Enforcement Efforts. At present, drug enforcement efforts in Afghanistan are largely non-formal and regionally based. There are periodic reports of drug seizures and arrests in Kabul and the provinces. There have also been reports of the closing of opium bazaars in Nangarhar and Helmand Provinces. The Peshawar, Pakistan, Pashto language press reported in early November that poppy eradication was taking place in two districts of Nangarhar Province and also in Ghor Province, but there is no systematic collection of reliable data upon which to base judgments of progress.

Plans are in place to begin development of a separate narcotics law enforcement directorate in the Interior Ministry, which would contain three units: information collection and intelligence, investigations, and interdiction. Training for the intelligence and investigations units began as 2002 ended; interdiction unit training will take place in 2003. Locations to house the three units have been identified, and work is nearly complete on the intelligence unit buildings. Work on the site for the other two units will have to wait for spring weather. Plans are also being formulated for development of the Border Police.

Corruption. In Afghanistan's tribally based society, corruption is historic and endemic. Nepotism prevails in hiring, especially where having a personally loyal employee is critical. The perception prevails that only family members or kin can be trusted. Tribal alliances were intensified during years of conflict, especially during the civil war period when tribal warlords vied for territory and supremacy. It is in this context that President Karzai and his Finance Minister are trying to establish a transparent government that is accountable to its constituents. In early November 2002, President Karzai dismissed twenty senior officials and another eighty minor officials in the provinces for corruption. These dismissals included the heads of customs in Herat and Nangarhar Provinces and the security chief in Kandahar. Involvement in drug trafficking was one of the stated reasons for dismissal. In late November, Karzai issued a decree establishing an Office of Control and Inspection and providing for an inventory of public property. From these actions and the presidential decrees against drug production and trafficking, it is clear that, as a matter of government policy, the country does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. On the other hand, given the realities of Karzai's coalition government and the

limits of its authority in the provinces, it is not possible to say categorically that no senior official of TISA engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Afghanistan is a party to the 1961 Single Convention on Narcotic Drugs, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Afghanistan intends to become a party to the 1972 Protocol to the 1961 Convention as soon as possible. The Afghan Government's National Drug Control Strategy and sectoral plans of action provide the framework for implementing Afghanistan's responsibilities for drug control under the international agreements to which it is a party. Afghanistan and the U.S. have no mutual legal assistance or extradition treaties. The 1964 Constitution, which is one of the principle sources of Afghan law, states in Article 27: "No Afghan accused of a crime can be extradited to a foreign state." The Minister of Justice and other relevant officials are aware of the potential benefits of being able to extradite Afghan citizens. The international community needs to work with the new Constitutional Commission and the Constitutional Drafting Committee on the issue of extradition and also on providing a constitutional or other legal basis for mutual legal assistance.

Cultivation/Production. During 2002, Afghanistan was the world's largest producer of opium and a major producer of cannabis. The U.S. estimated that Afghanistan produced ca. 1300 metric tons of opium gum; the UNODC estimate was roughly twice that level (ca. 3000 metric tons of opium) in 2002. The estimates also differed sharply on the amount of land planted to opium in Afghanistan, with the ratio also ca 2:1. Efforts are underway to reconcile the sharply different estimates of opium production. Following a substantial reduction in opium production in 2001 under the Taliban ban, 2002 production increased dramatically, though not to the highest levels of the late 1990s. According to UNODC estimates, three provinces—Helmand, Nangarhar and Badakhshan—accounted for 78 percent of the area under poppy cultivation and 77 percent of the tonnage of opium produced. Uruzgan and Kandahar were the fourth and fifth largest producing provinces. A disturbing trend in 2002 was detection of poppy cultivation in areas where poppy had not previously been grown, such as Ghor and Bamiyan Provinces. The large portion of opium production in Helmand Province, accounting for 40 percent of the total area in Afghanistan under poppy cultivation, justifies the current high priority for focused assistance to repair the province's extensive irrigation canal system and provide alternative crop extension services and marketing assistance.

Anecdotal reports indicate the mushrooming of morphine and heroin processing laboratories, no doubt to handle this year's large opium production. For example, there are reports of numerous labs in the Faizabad area of Badakhshan Province that are consuming enormous amounts of firewood in processing heroin, thereby driving up the price of firewood beyond local residents' ability to purchase it. Labs in Nangarhar and Helmand Provinces are reported to be numerous and highly mobile, thereby making detection and destruction more difficult. Seizures of narcotics in neighboring countries (notably Tajikistan) have also increased absolutely, and seizures continued a shift towards seizures of a higher share of heroin that began last year.

Drug Flow/Transit. In the absence of support for legitimate agricultural production and marketing during years of conflict, opium traders have cornered Afghanistan's modest agro-business sector. Their method of operation is to provide seed, fertilizer, tools, and the credit with which to buy these inputs, and then purchase the harvested opium from farmers at a price highly advantageous to them, but disadvantageous to the indebted farmers. Poppy cultivation requires less water than many other crops, which, given the last several years of drought, has further encouraged farmers to plant opium. The ease of storage of opium and its ready marketability make it an ideal store of value during times of conflict, fluctuating currencies, and lack of any formal banking or credit systems. Opium markets have been highly organized and openly conducted until relatively recently, when some opium markets in Nangarhar and Helmand Provinces were reported to have been shut down. However, in reality, there are indications that the opium markets have simply gone "underground" to less public sites.

Narcotics seizure statistics in countries bordering Afghanistan indicate heavy trafficking out of Afghanistan along well-known routes. Given the dearth of effective law enforcement measures in Afghanistan, and the traditional involvement in drug trafficking during the war years by people of influence as their major source of revenue, trafficking in Afghanistan can unfortunately be expected to continue almost unimpeded in the near future. Continued reliance on interdiction by neighboring countries will be necessary for any impact on drug trafficking out of Afghanistan.

Domestic Programs (Demand Reduction). Although there has been no formal assessment of the extent of drug abuse, anecdotal evidence indicates it is rising in Afghanistan. According to UNODC, heroin, opium, and hashish are the most commonly abused drugs, along with a wide variety of locally available, uncontrolled pharmaceuticals. A UNODC study of Afghan women in refugee camps in Pakistan indicated that poly-drug abuse consisting of opium, hashish, and Valium or other similar pharmaceutical drugs was increasingly common, often associated with post-traumatic stress. Traditional use of opium as a panacea for ailments is common in some parts of the country, especially in the North. Opium is even customarily given to babies in some areas. Heroin use is generally by mouth or inhaled, though there are reports, especially in the urban areas, of increasing use by injection, including needle sharing. An informal assessment of one area of southwest Kabul by an NGO working in the drug treatment field revealed the following estimated numbers of drug abusers within an adult population of about 4,000: 700 hashish users (17.5 percent); 400 (10 percent) female tranquilizer users; 200 (5 percent) female opium users; and 80 (2 percent) male heroin users, of whom 18 (.5 percent) are injecting.

The Afghan government struggles with its limited resources to provide in-hospital detoxification services, but often can provide no analgesics to ease the withdrawal symptoms. Nejat, an NGO operating on extremely limited funding, provides pre-detoxification counseling, in-home detoxification, and a year's support to the drug abuser and family members. In the past, UNODC has done some training of Afghan female community activists in drug awareness, basic health, and sanitation. Concerted efforts should be made to energize the Ministries of Education and Public Health to increase drug abuse prevention education and drug treatment capability as part of TISA's National Drug Control Strategy.

IV. U.S. Policy Initiatives and Programs

U.S. policy is to support the British lead on Afghan drug control by providing assistance for a wide range of counternarcotics programs in Afghanistan. Current U.S.-funded counternarcotics programs include: provision of seeds and fertilizer, quick impact cash-for-work on infrastructure improvement projects, a large alternative livelihoods project, assistance in the development of drug law enforcement capability, small programs in demand reduction and an counternarcotics public affairs campaign, and support for rehabilitation and modernization of the criminal justice system.

The Road Ahead. The U.S. will continue to support the development of Afghanistan's national drug control capacity, especially in mentoring the NSC CND as it begins to assume its role as Afghanistan's drug control policy and implementing body. In addition, the U.S. will continue to support the activities of the five sector working groups and will coordinate all U.S. counternarcotics assistance projects with the line ministries.

In the meantime, poppy cultivation can be expected to continue until rural poverty levels can be reduced via provision of alternative livelihoods and reduction of farmers' debts. However, sustained assistance to poppy-growing areas permitting diversification of crops, improved market access, and development of off-farm employment, combined with law enforcement and drug education, are expected gradually to reduce the amount of opium produced in Afghanistan. But drug processing and trafficking can be expected to continue almost unabated initially until drug law enforcement capabilities can be increased. Again, sustained assistance by the donor community over many years will be required to help an Afghan government fully dedicated to countering its drug problem to succeed.

Afghanistan Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Opium										
Potential Harvest (ha)	30,750	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180	21,080
Eradication (ha)	—	—	—	—	—	—	—	—	—	—
Cultivation (ha)	30,750	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180	21,080
Potential Yield ¹ (mt)	1,278	74	3,656	2,861	2,340	2,184	2,099	1,250	950	685

¹ Note: Potential production estimates for 1996-1999 have been revised upward from previous INCSRs, reflecting improved methodologies for estimating opium yields. The estimates of land area under poppy cultivation in Afghanistan for those are unchanged and have not been revised.

Bangladesh

I. Summary

Because of its geographic location in the midst of major drug producing and exporting countries Bangladesh is used by trafficking organizations as a transit point. Seizures of heroin, and locally favored synthetic drugs as reported from January to October of this year also point to a marked increased level of narcotic use in Bangladesh as does the quadrupling of the upper estimate of addicts. The heroin being consumed in Bangladesh is of low quality to keep prices low. While unconfirmed reports of opium cultivation along the border with Burma exist, no evidence indicates that Bangladesh is a significant producer or exporter of narcotics. The BDG's Department of Narcotics Control (DNC) lacks training and equipment, as well as other resources to detect and interdict the flow of drugs into and through the country. Moreover, there is minimal coordination between the DNC, the police, the border defense forces known as the Bangladesh Rifles (BDR), and the judiciary's local magistrates in charge of orchestrating counternarcotics operations. Corruption at all levels of law enforcement also hampers the country's drug interdiction efforts. Bangladesh is a party to the 1988 United Nations Drug Convention (UNDC).

II. Status of Country

Insufficient information exists to determine whether Bangladesh produces illegal narcotics or precursor chemicals. Rumors of opium production in the Bandarban District along the Burmese border have not been substantiated. The country's largely porous borders make it an attractive transfer point for drugs transiting through the region.

III. Country Actions Against Drugs in 2002

Policy Initiatives: The Bangladesh Government (BDG) continued in 2002 to support counternarcotics efforts. The BDG has worked to implement and enforce the Narcotics Control Act and this year amended the act to shorten the length of time allowed for investigations into charges related to criminal cases. New equipment was provided to the DNC and its central chemical laboratory began regular operations in 2001. In September 2002 the BDG and USG signed a Letter of Agreement (LOA) to provide \$140,000 worth of additional equipment to the laboratory. The LOA also provides for \$338,922 worth of training, via ICITAP, to law enforcement personnel involved in counternarcotics activities.

Accomplishments. The BDG, during the previous administration, the caretaker government, and the present administration, has maintained consistency and continuity in its counternarcotics efforts. As noted above, the DNC central chemical laboratory for identifying and evaluating seized drugs became operational in 2001 and its capabilities are being expanded through an agreement for U.S. State Department narcotics assistance, signed in September of this year.

Law Enforcement Efforts. Law enforcement units engaged in counternarcotics operations include the police, the DNC, the BDR, and local magistrates. According to the BDG Directorate of Customs Intelligence and Investigation, drugs seized by Bangladesh authorities from January through October 2002 are as follows: 553.319 kilograms of heroin (over 24 times the amount seized during the same period last year); 8,509.765 kilograms of marijuana; 852 ampoules of T.D. jasic injection; 113,138.76 liters of phensidyl (four times the amount seized during the same period last year); 0.023 kilogram of opium; and 14,259 ampoules of pathedine (nearly 152 times the amount seized during the same period last year). The BDG continues to seek further training of its narcotics detection and interdiction forces. Law enforcement personnel across the spectrum of forces involved in counternarcotics work have little to no specialized training on how to execute their missions.

Corruption is a big problem in Bangladesh. Authorities involved in jobs that affect the drug trade facilitate the smuggling of narcotics. Corrupt officials can be found throughout the chain of command. If caught, prosecuted, and convicted most officials receive a reprimand at best and termination from government service at worst. Adjudicating authorities do not take these cases seriously.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention. It has a memorandum of understanding on narcotics cooperation with Iran and it participates in information sharing with the government of Burma.

Cultivation/Production. Unsubstantiated reports persist that opium production takes place in the Bandarban district along the border with Burma. No other evidence or intelligence is available to indicate that Bangladesh is a cultivator/producer of narcotics.

Drug Flow/Transit. Bangladesh is an ideal target for organized traffickers looking for a transfer point in the region for smuggling drugs. Officials who have little, if any, training on counternarcotics operations, guard the country's air, sea, and land ports. There remains no DNC presence at the country's second largest airport in Chittagong. Customs officers continue to be untrained in detecting and interdicting drugs. To date no random searches of crews, ships, boats, vehicles, or containers have been performed at Bangladesh's largest seaport in Chittagong. Elements of the BDR, responsible for land border security within a twelve-mile swath inside the country, are widely believed to abet the smuggling of goods, including narcotics, into the country.

Domestic Programs (Demand Reduction). The drug addicts rehabilitation organization, APON, and its affiliates, founded by a Catholic Brother, are the only long-term residential rehabilitation centers in the country. There are four centers that operate under the auspices of APON. The BDG outpatient and detoxification centers are not very successful in dealing with the addiction problem in Bangladesh. The population of addicts is largely unknown—estimates range from 100,000 to over four million.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG continues to support Bangladesh counternarcotics efforts through various commodities and training assistance programs. USG strategy focuses on improvements to BDG capabilities in detection and interdiction of narcotics, especially the abilities of the border security forces to effectively do their jobs. Following the September 2002 signing of an LOA between the USG and the BDG, equipment and law enforcement courses will be provided to the police, DNC officers, and possibly members of the BDR in 2003. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh, and further development of anti-corruption programs within the government.

The Road Ahead. The USG will continue to provide law enforcement training for BDG officials and work with the BDG in constructing a comprehensive strategic plan to develop, professionalize, and institutionalize Bangladesh counternarcotics officials.

India

I. Summary

India is one of the world's largest licit opium producers and the only country authorized to produce licit opium gum. India's strategic location, between Southeast and Southwest Asia, the two main sources of illicit opium, makes it a heroin transshipment area. India is a modest, but growing, producer of heroin for the illicit market. The Government of India (GOI) continually tightens controls to curtail diversion of licit opium, but an unknown quantity of licit opium finds its way to illicit markets. A small amount of illegal poppy is cultivated in the foothills of the Himalayas in northwest India, and also in northeastern India. As part of its efforts to preclude diversion of licitly grown opium to the illicit market, the GOI, with U.S. assistance, is rigorously studying opium gum yields from licitly cultivated opium. The objective of this effort is to develop as accurate an estimate of legally mandated minimum yields as possible. The GOI anticipates, based on its long experience of managing licit opium production, that requiring farmers to deliver to the government all the opium they are likely to produce is the best way to avoid diversion to the illicit market. An accurate estimate of what farmers are likely to harvest, therefore is crucial to the success of this system since it allows the government to more efficiently enforce its requirement that all opium gum be sold to the state.

There is some evidence of growing international criminal interest in hashish production in the northern Indian state of Himachal Pradesh. GOI central government agencies do not currently believe this is a major problem.

India has a large, sophisticated chemical industry that manufactures a wide range of chemicals, including the narcotics precursor chemicals acetic anhydride (AA) and pseudoephedrine. These precursor chemicals are vulnerable to diversion for the manufacture of illicit narcotics. The GOI and the Indian Chemical Manufacturing Association impose strict controls and review them annually. India is a party to the 1998 UN Drug Convention.

II. Status of Country

Licit Opium Production. Licit opium poppy is grown in the states of Madhya Pradesh, Rajasthan and Uttar Pradesh under a stringent licensing policy controlled by the Central Bureau of Narcotics (CBN). India is the only country that produces raw opium gum rather than concentrate of poppy straw (CPS). Although many opium factories in the U.S. are designed to process opium gum, opium gum is difficult to use because a residue remains after alkaloids have been extracted. This residue must be disposed of with appropriate environmental safeguards, adding to the cost of medicinal opiates. However, the GOI believes that this traditional labor-intensive opium production method is more suitable to India's circumstances than the more capital-intensive poppy straw process.

Under the terms of internationally agreed covenants, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand. The objective is to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks over the past three years from below-recommended levels.

Licensed farmers are allowed to cultivate a maximum of 20 "ares" (1 are is 100 square meters, so 20 ares equals one-fifth of a hectare) and are required to remit their entire yield to the CBN. The GOI's Ministry of Finance announces the minimum-qualifying yield (MQY) per hectare (ha) at the beginning of each opium cultivation season in September or October. "Opium years" thus straddle two calendar years. The MQYs are based on historical yield levels from licensed farmers during previous crops, and increasingly on academic research in India, funded by U.S. technical assistance. Increasing the annual MQY has

proven to be an effective tool, not only in increasing productivity, but also in providing a deterrent to diversion. The GOI cannot know how much opium gum each farmer actually produces; it simply requires that each farmer deliver at least some minimum amount (MQY) to retain his status in the program. If this Minimum Qualifying Yield is too low, the farmers are allowed to systematically retain a large quantity of opium gum which, of course, finds its way to the illicit market. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime.

India's opium buffer stocks were depleted in the spring of 1998. To meet anticipated world demand for licit opium and rebuild depleted domestic stockpiles toward an International Narcotics Control Board (INCB)-recommended level of approximately 750 metric tons (90 percent solid), the GOI licensed a larger number of farmers and increased the area for poppy cultivation during 1998-99 and 1999-2000. Estimates of suspected diversion from the 1998-99 opium harvest ranged from 170 metric tons to as high as 300 metric tons, which would have represented between 15 to 25 percent of the entire crop.

Steps taken in the next crop year seemed to fix this problem. The higher implied yield in GOI-procured opium gum during the 1999-2000 season reflected the GOI's apparent success in aggressively curtailing diversion during the crop harvest and collection period. Strong enforcement efforts were also evident during the 2000/01 and 2001/02 harvests.

For the 2002 crop year, 114,487 cultivators were licensed for opium cultivation over an area of about 22,847 hectares. Only 18,447 hectares were cultivated by 101,844 cultivators. The uncultivated area was either not sown or uprooted after sowing, primarily because of weather damage. Only those cultivators who tendered the minimum qualifying yield (MQY) for the 2000/01 harvest were licensed in 2001/02 and the GOI did not tender new licenses for first-time cultivators. The GOI again increased the MQY in the 2001/02 crop year to 53 kilograms/hectare in Madhya Pradesh and Rajasthan and 45 kilograms/hectare in Uttar Pradesh. These goals appear to have been largely met, based on both CBN data (which is supported by data from the U.S. supported Joint Licit Opium Poppy Survey). As a result, in 2002, the CBN procured 790 metric tons of opium (at 90 percent consistency NB. "Consistency" refers to the moisture content in opium gum-90 percent means 10 percent excess moisture-90 percent gum). The CBN attributes their success to increased controls over licit cultivation, including the reduction in time taken to procure opium (i.e., the time to collect the hundreds of metric tons of opium gum at hundreds of collection facilities throughout three Indian provinces), which was reduced from 60 days to 45 days.

The GOI continued the stricter licit opium diversion controls introduced in 1999, including 100 percent measurement of each cultivated area and re-surveys of plots after the planted crop reaches a particular stage of growth to ensure that the area under cultivation matches that licensed. The CBN destroys cultivation more than five percent above the licensed amount and the cultivator is liable to prosecution. CBN also strengthened controls during the poppy lancing period. A designated official now records daily yields in a "Procurement/Weighment Register." The CBN checks the register regularly, physically checks the cultivators' yield, and verifies the correlation between the two.

The CBN conducts preventive checks and raids to search for opium that might have been concealed by the cultivators. During the course of these raids CBN officers discovered 11 tons of concealed opium during the 2000 harvest and seven tons during 2001. To increase control over licit opium production, the amended NDPS Act places offenses relating to cultivation and embezzlement of opium by licensed cultivators on par with other drug trafficking offenses. CBI initiated the use of satellite surveys in 2001 and refined the method in 2002 to measure licit cultivation to ensure that licit cultivators were not exceeding their allotted space. No significant quantities of concealed opium were seized during the 2001/2002 harvest.

India's traditional style of harvesting opium gum has an inherent weakness in controlling diversion. Over one million farmers and farm workers come into contact with the poppy plants and their lucrative gum yearly. Policing these farmers on privately held land scattered throughout three of India's largest states is a considerable challenge for the CBN, which has a permanent staff of 1,500 officers. During the harvest

season, CBN's forces of 18 teams of Central Excise officers with vehicles help the CBN to patrol the fields and oversee the harvest.

Though there is no reliable estimate of diversion from India's licit opium industry, Indian officials and drug enforcement officials have speculated in estimating that 10 to 30 percent of the crop is diverted. A large portion of the diverted opium is consumed domestically. CBN has estimated that India's opium addicts alone require a minimum of 80 to 100 tons of opium. Ten percent diversion of the 2002 harvest would have put some 79 tons of opium gum into the illicit narcotics markets, and would have made India the world's fourth largest producer of illegal opiates, ca. 25 metric tons behind Laos.

Illicit opium middlemen and moneylenders pay farmers prices four to five times higher than the base government price of Indian Rupees (Rs.) 630 per kilogram. GOI price increases to farmers are related to the licit export price offered by the United States and other countries, but are also influenced by GOI revenue requirements from licit opium production. Citing stable commercial export prices and an apparent decrease in export demand, the GOI announced prices would not be increased for the second year in a row. The last increase was effective for the 2000 opium harvest. Some observers believe that more generous procurement prices would support GOI efforts to limit diversion. India is exploring the possibility of conversion of some of its opium crop to the CPS method to determine the feasibility of extracting additional alkaloids from already-lanced poppy straw.

III. Country Action Against Drugs in 2002

Policy Initiatives. In 2001, the GOI announced that the NCB would shift from under the control of the Ministry of Finance to the Ministry of Home Affairs effective April 1, 2002. The move is still pending. The move should enhance the NCB's law enforcement capabilities and align the bureau with other GOI police agencies under the control of the Home Ministry. A number of proposals are also under consideration to bolster the professionalism of the NCB, including extending the length of deputation of officers to the NCB from three to five years, and adding an extension clause for an additional two years.

Accomplishments. Indian authorities have established a continuous aerial/satellite-based system for monitoring licit and illicit opium cultivation nationwide. The system became operational in early 2002. The CBN has initiated a special project to explore income substitution and alternative development programs with the aim of total eradication of poppy cultivation in the illicit poppy growing areas of Arunachal Pradesh.

Currently, the GOI is involved in a number of significant ongoing investigations with the DEA and the level of cooperation received regarding these investigations has been excellent.

Law Enforcement Efforts. India's domestic "drug of choice" is heroin base ("brown sugar" heroin). Indian "brown sugar" heroin is available in Nepal, Bangladesh, Sri Lanka, and the Maldives. In 2001, the CBN detected and destroyed seven small-scale refining laboratories in India's licit opium poppy growing regions. Since January 1999, Indian authorities have begun to seize small quantities of refined ("white") heroin, at least part of which was produced in India, destined for Sri Lanka and Europe. Licitly produced raw opium is diverted and collected by mid-level traffickers for conversion to morphine base. The opium is then usually taken to larger population centers for further processing to heroin base before entering the regional markets. Indigenously produced Indian white heroin (injectable heroin HCL) seizures increased during the last several years. This became more evident with the November 30, 1999 seizure of an operational heroin laboratory in New Delhi and the discovery of Indian-cultivated opium being used to manufacture heroin HCL. Continuing intelligence stemming from ongoing investigations indicates that areas in Uttar Pradesh State may produce limited quantities of indigenous Indian heroin. Such trends indicate nascent attempts to cater to western heroin markets that demand refined heroin as opposed to brown sugar heroin. GOI officials estimate that approximately 30 percent of their heroin seizures are of Indian origin and acknowledge India's emerging status as a heroin-producing country.

Heroin Production. There is no reliable data on the amount of heroin produced from diverted licit opium and illegally grown opium. Illicit poppies are cultivated in the Himalayan foothills of Kashmir and Uttar Pradesh and in northeast India near the Burmese border in the states of Manipur, Mizoram and Arunachal Pradesh. The quantities of illicit production appear relatively small and there is little current indication that such opiates find their way into the export market for the United States.

The GOI continues actively to pursue investigations against drug traffickers operating within India and to interdict the flow of narcotics being smuggled across its borders. In October 2001, the Customs Directorate of Revenue Intelligence (DRI) officers seized 16 kilograms of heroin that had entered India through a fenced portion of the border. Provisional reports provided by the GOI through October 2002 indicated that an estimated 636 kilograms of heroin were seized. Opium seizures determined to be of Indian origin, most of which occur in India's poppy growing regions, declined in 2002 from 2,633 kilograms in 2001 to 1,403 kilograms through October 2002. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to western destinations. Through October 2002, NCB seized 47,641 kilograms of marijuana and 2,079 kilograms of hashish. During 2001, Customs officers at New Delhi airport experienced first-time seizures of buprenorphine, diazepam, and phenobarbital. Seizures of methamphetamine (mandrax) reached their highest level of 11,130 kilograms through October 2002. Indian authorities speculate that heroin seizures may be down because the tightening of the border between Pakistan and India has led to a change in trafficking patterns for Southwest Asian heroin.

Through October 2002, 4,747 persons, including 55 foreigners, had been arrested for drug-related offences, a figure that is down significantly from 13,333 arrested in 2001. Through October 2002, 2,998 persons were convicted for drug trafficking, compared to 2,929 convictions in 2001.

Corruption. The Indian media continues allegations of corruption among law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the information to confirm them and the means to assess the overall scope of drug corruption in India. Both the CBN and the NCB have periodically taken steps to punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas and has increased the transparency of paying licensed opium farmers to prevent corruption. However, despite government efforts, narcotics-related corruption probably facilitates some narcotics trafficking in India.

Agreements and Treaties. India is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. India meets most of the requirements of these three UN Drug Conventions through the NDPS Act of 1988. India has agreements with 15 countries for sharing strategic and operational intelligence and cooperation in the field of drug abuse. The United States and India signed a mutual legal assistance treaty on October 17, 2001; the U.S. Senate provided advice and consent to ratification in October 2002. The treaty will allow more efficient law enforcement and counterterrorism cooperation between the two countries. The U.S. and India cooperate under an extradition treaty that entered into force in 1999. There are currently two narcotics-related extradition requests pending in Indian courts under the treaty.

Illicit Cultivation/Production. Small-scale illicit cultivation of opium has existed for years in areas of India's northeast, usually along the region's border with Burma and China. Cultivation in easily accessible areas of Mizoram and Manipur was successfully eliminated in the early- and mid-1990s, although poppy cultivation is experiencing a recent revival in Manipur, according to CBN officials. The bulk of India's illicit cultivation is now confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads.

The CBN began organized poppy eradication campaigns in Arunachal Pradesh four years ago. In the first campaign, addressed to the 1997 opium crop, the CBN destroyed 35 hectares. This increased to 95 hectares in 1998, and 248 hectares in 1999. In 2000, 153 hectares were destroyed. No new crop eradication occurred in either 2001 or the first ten months of 2002. The CBI used satellite images to

detect illicit cultivation in the Northeastern state of Arunachal Pradesh. Most of the illicit opium is grown to meet the needs of local addicts, a sizeable population.

The CBN, however, is concerned that production is rising, with an increasing percentage used for commercial purposes, for sale locally or to heroin producers across the Burma border. Current rough estimates by the local drug control officials put opium cultivation in Arunachal Pradesh at 1,500 to 2,000 hectares. Estimates of opium gum yields are nonexistent, but CBN officials believe that the illicit production in Arunachal Pradesh yields at least eight kilograms per hectare (12-16 metric tons potential illicit opium gum production).

Drug Flow/Transit. India historically has been an important transit area for Southwest Asia heroin from Afghanistan and Pakistan and, to a much lesser degree, from Southeast Asia—Burma, Thailand, and Laos. India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made at New Delhi and Mumbai airports tend to reinforce this assessment. Increasingly significant seizures in the southern area of India, particularly in Tamil Nadu, confirm that smuggling of heroin from India to Sri Lanka continues unabated. While there appears to be no significant level of increase in heroin trafficking directly to the United States from India, both U.S. and Indian authorities continue to target organizations involved in this activity.

Indian-produced methaqualone trafficking to Southern and Eastern Africa continues. Although South Africa is rapidly becoming a larger competitor, India is still believed to be among the world's largest known clandestine producers of methaqualone (mandrax). The primary market for Indian-produced methaqualone was South Africa, but other African countries have increasingly developed user/abuser problems as the drug shipments transit east Africa en route to South Africa. This drug is manufactured in bulk powder as well as tablet form, but recent bulk seizures by GOI authorities suggest India is playing a more important role in methaqualone manufacture. In March 2001, the NCB seized 400 kilograms of mandrax/methaqualone tablets in Mumbai after searching an export container destined for South Africa. Seizures of methaqualone totaled 1,984 kilograms in 2001. Seizures of methaqualone through October 2002 totaled 11,130 kilograms, the highest seizure ever and almost ten times the average amount seized in the past five years.

Domestic Programs (Demand Reduction). In the isolated northeastern states of Manipur and Nagaland, injectable Southeast Asian heroin use was common a few years ago. Needle sharing spread the HIV virus through these two sparsely-populated states, which now rank among the states with India's highest HIV/AIDS rate. While heroin use is still significant in Northeast India, its high cost (\$2 a dose and higher) resulted in a shift to abuse of the painkiller proxyvon (about 34 cents a dose). (Proxyvon capsules are opened, the contents dissolved in water, and then injected.) In 1999, the GOI's Ministry of Social Justice and Empowerment (MSJE) and the UNDCP South Asia Regional Office began a two-year large-scale national survey on the extent, pattern, and magnitude of drug abuse in India. The major components of this study are a National Household Survey, a Drug Abuse Monitoring System and a Rapid Assessment Survey (RAS). The study also focused on specific populations such as women, rural and border areas, and prisoners. The RAS was implemented in fourteen cities throughout India, four of which are major cities.

The survey showed that drug users were predominantly young and male. More than a fourth were homeless, nearly half were unmarried, more than a fifth were illiterate, and a fifth had studied only up to the primary level. About two-thirds of those surveyed were employed, mostly in the informal sector as daily wage earners. The average monthly income in the sample was Rs.4,050 (about \$90). Many drug users, particularly those in large cities, are from impoverished families. The mean age of drug users across the fourteen sites was 23-24. The highest percentage of women drug users was found in Goa (20 percent).

The majority of those surveyed (36 percent) reported heroin (morphine base, i.e. "brown sugar," usually smoked) as their primary drug of abuse. Other opiates (buprenorphine, propoxyphene, and opium) accounted for 29 percent and cannabis 22 percent. Most subjects were polydrug abusers and were part of

strong networks of drug-using friends and associates. More than three-fourths of the total began drug use before they turned twenty. The average user began with cannabis, although a third used alcohol as the initiation substance. Injecting drug use was adopted later in the drug abuse pattern. Injecting drug use (IDU) was observed in every study. A large share of the total (43 percent) admitted to injecting drugs at some point in their drug using history, most frequently injecting buprenorphine, heroin, proxyvon and other synthetic opiates like pentazocine. The survey also noted unsafe sex as another high-risk behavior. The mean age at first sexual act ranged from fourteen to twenty-two. Many users indicated encounters with sex workers, but condom use was low. Sexually transmitted diseases were common among drug users in many sites. Only a small proportion of drug users surveyed had been tested for HIV.

Experts have formulated suggestions for intervention strategies based on the survey. The suggestions include: 1) enhancing behavior change; 2) producing changes in service delivery; 3) facilitating a community-based approach; 4) encouraging community participation; and 5) facilitating changes in the environment. The key issues of concern are: targeting services for poor drug users; preventing drug injecting; reducing drug related harm, particularly the association between high risk drug and sexual activities; improving treatment services; and increasing “quality coverage” (i.e., providing treatment services for the majority of drug users). The MSJE recently worked with the demand reduction community to establish therapeutic standards for drug abuse treatment and rehabilitation.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. Drug control cooperation expanded in 2001, building on several new initiatives launched in 2000. The Department of State’s Bureau for International Narcotics and Law Enforcement provided increased commodities and training assistance to Indian drug enforcement agencies, with a \$200,000 project signed with the Ministry of Finance in September 2000. A FY 2001 project for \$300,000 to be signed with the Ministry of Finance has not yet been signed because of differences between the USG and GOI regarding one of the standard provisions. If this LOA is signed, this assistance would boost the drug enforcement capacities of various Indian agencies, providing equipment to the 11 NCB zonal units operating throughout India and to the Mizoram state government to counter drug and chemical trafficking across that state’s border with Burma. Cooperation between the DEA and Indian drug enforcement authorities is expanding, particularly in investigations into precursor chemicals smuggled from India to key drug production areas.

The Road Ahead. The GOI has tightened controls over licit opium cultivation. Post 9/11, U.S.-GOI cooperation increased significantly as the GOI and USG moved forward to combat drug trafficking and transnational crime. The Ministry of Finance, the GOI lead for policy on drug control, is more actively shaping and coordinating drug and licit opium control strategies among India’s various drug enforcement agencies. The Ministry will continue to be the United States’ focal point for cooperative counternarcotics efforts. The GOI says it is increasingly concerned over the nexus between drug trafficking and terrorism. The GOI has recognized the need for stronger drug control efforts nationally, particularly in the Northeast. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

The Maldives

The Maldives is not a major producer of narcotics or precursor chemicals. No concrete evidence exists that the Maldives is a transit point for narcotics. Some Maldivian officials believe their country may become a transshipment point, however.

Consisting of approximately 1,100 islands set in the Indian Ocean, and with a population of approximately 270,000, the Republic of the Maldives has a comparatively small drug problem, but one that appears to be growing. The government is aware of the problem and is fully cooperative with the U.S. on counternarcotics issues. The fact that children under 16 constitute about 50 percent of the population makes police and UN International Drug Control Program officials wary of the high growth potential for drug use in the country. Nonetheless, the police believe they can control the sale of drugs on the streets of the capital and most populated city, Male. Police officials believe that some of the country's approximately 25,000 foreign workers, mainly Indians and Sri Lankans who work in the country's resorts, conduct most of the trafficking, which is believed to be limited.

Although there is no evidence to indicate that the Maldives is a transshipment point at this time, international observers and some government officials fear that the Maldives has the potential to become a transshipment point for smugglers. Most drugs are believed to come into the country by sea, but the Customs Service and police find it impossible to search all ships adequately. In late 2002, the government participated in training with Sri Lanka on using drug-sniffing dogs to help search vessels.

The U.S. has assisted the Maldives in counternarcotics activities, including via direct training or through the Colombo Plan. With U.S. government funding, the Maldivian government began to computerize its immigration record-keeping system in 1993 in an attempt, among other purposes, to track the movements of suspected drug traffickers. Starting in 1996 the U.S. has contributed \$33,000 to implement and then expand this computer system.

In November 1997, the Maldivian government established a Narcotics Control Board (NCB) under the Executive Office of the President. The Board's Commissioner, a military officer, has concurrent duties in the Maldivian National Security Service. The NCB principally oversees rehabilitation of addicts and coordinates the efforts of NGOs and other individuals engaged in counternarcotics activities. He also coordinates drug interdiction activities.

In 1997, the government established the country's first drug rehabilitation center, with space for several dozen clients. With the expansion of the rehabilitation program, and a move to the land previously occupied by the national prison, the center now houses up to 300 clients at any one time. The center cannot keep pace with the number of people ordered to undergo rehabilitation, however. At times there are as many people under house arrest and awaiting a position in the Center as there are individuals undergoing treatment. In addition to the Center, the NCB has established a continuing prevention program designed to prevent relapse. The government also launched an ongoing drug awareness campaign in 1998. In conjunction with the national effort, the government sent teams to 11 of the 19 atolls to conduct awareness campaigns and to assist in drug detection.

The Republic of the Maldives has no extradition treaty with the United States. The Maldives is a party to the 1988 UN Convention. The South Asian Association for Regional Cooperation (SAARC) Convention on Narcotic Drugs entered into force in the Maldives in 1993.

Nepal

I. Summary

Although Nepal is not a significant producer of, nor a major transit route for, narcotic drugs, small amounts of cannabis, hashish and heroin are trafficked to and through Nepal every year. An increase in the apprehension of Nepalese couriers suggests that the country's citizens are becoming more involved in trafficking. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) has enhanced both the country's enforcement capacity and its expertise in narcotics investigations. Nepal is a party to the 1988 UN Drug Convention.

II. Status of Country

Heroin from Southwest and Southeast Asia is smuggled into Nepal across the open border with India and through Kathmandu's international airport. Police have confirmed that production of cannabis is on the rise in the southern areas of the country, and that most is destined for the Indian market. Police have also intercepted locally produced hashish en route to India, in quantities of up to 285 kilograms at a time, and media reports have speculated that Nepal's Maoist guerrillas may be involved in drug smuggling to finance their insurgency. Abuse of locally grown and wild cannabis and hashish, marketed in freelance operations, remains widespread. Licit, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. Nepal developed, in association with the UNODC, a master plan for drug abuse control (MPDAC). UNODC funding for the program ended in 1998.

Legislative action on mutual legal assistance and witness protection, developed as part of the MPDAC, remained stalled in 2002, as the focus of the government has been on the Maoist insurgency and parliament has been dissolved. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures or criminal conspiracy has not yet been drafted.

Accomplishments. The Government of Nepal (GON) is active in regional coordination of counternarcotics efforts and actively cooperates in international efforts to identify and arrest traffickers. Cooperation between the DEA and Nepal's NDCLEU has been excellent and has resulted in indictments both in Nepal and abroad. Nepal actively participates in the efforts of the South Asia Association for Regional Cooperation (SAARC) to combat drug trafficking and abuse.

Customs and border controls are weak along Nepal's land borders with India and China. The Indian border is open. Security measures to interdict narcotics and contraband at Kathmandu's international airport and at Nepal's regional airports with direct flights to India are inadequate. The GON along with other governments is working to increase the level of security at the international airport, and recently the Royal Nepal Army was detailed to assist with airport security.

Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by a lack of transport, communications, and surveillance equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, is improving. Though crop destruction efforts have been hampered by the reallocation of resources to fight the Maoist insurgency and the lack of security in the countryside, final statistical data for 2001 and data up to November 2002 indicate that destruction of both opium plants and cannabis increased in 2002.

Corruption. Nepal continues to lack laws to prevent and punish public corruption relating to narcotics, especially by senior government officials. However, there is no record that senior government officials have facilitated the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances or that they have discouraged or otherwise hampered the investigation or prosecution of such acts.

Agreements and Treaties. Nepal is party to the 1998 UN Drug Convention; the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol; and the 1993 SAARC Convention on Narcotics Drugs and Psychotropic Substances.

Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of developed varieties is rising, particularly in lowland areas. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials believe that almost all heroin seized in Nepal originates elsewhere.

Nepal produces no precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry. There have been no reports of the illicit use of licensed imported chemicals.

Drug Flow/Transit. Narcotics seizures suggest that narcotics transit Nepal both from east and west in equal quantities. Seizures of cannabis increased in 2002. Media reports claim that most is bound for India, and law enforcement sources indicate that all of their seizures have been at the India/Nepal border; they have not seized any cannabis at Kathmandu's Tribhuvan International Airport (TIA). Smaller quantities of heroin and opium were seized in 2002 than in the previous year, and the absolute quantity (a total of approximately 6 kilograms) remained small. Most Nepali seizures of heroin, hashish, and opium in 2002 occurred in various neighborhoods of Kathmandu or at TIA as passengers departed Nepal.

Arrests of Nepalese couriers in other countries suggest that Nepalese are becoming more involved in trafficking and that Nepal may be increasingly used as a transit point for destinations in South and East Asia. The United States has been identified as a final destination for drugs transiting Nepal, typically routed through Bangkok, but in small quantities thus far.

Domestic Programs (Demand Reduction). The GON continues to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, the United States, UNODC, other donor agencies, and NGOs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention. The United States, NDCLEU, and other donor nations work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group of countries coordinating narcotics assistance. Cooperation between the NDCLEU and U.S. authorities has been excellent.

The United States works with GON agencies to implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement and policy. In 2002 the United States sponsored a police professionalism project designed to increase the efficiency and effectiveness of Nepal's law enforcement personnel, and funded locally administrated demand reduction projects. Nepal exchanges

drug trafficking information with regional states and occasionally with destination states in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue ongoing information exchanges, training, and enforcement cooperation; will work with the UNODC to strengthen the NDCLEU; will support improvements in the Nepali customs service; and will work with both the Colombo Plan and the Ministry of Home Affairs on rehabilitation and demand reduction. The United States will encourage the GON to enact stalled drug legislation.

Pakistan

I. Summary

Pakistan is home to marginal amounts of opium poppy cultivation and is an important transit country for Afghan opiates and hashish. Pakistani traffickers also play an important role in opium production in Afghanistan. In 2002, NAS (Narcotics Assistance Section) estimated through an aerial survey that Pakistan's opium poppy cultivation rose slightly to 622 hectares (cultivated in tribal areas bordering Afghanistan) from the record low figure of 213 hectares in 2001. The Government of Pakistan's (GOP's) cooperation on drug control with the United States remains excellent. GOP counternarcotics efforts are led by the Anti Narcotics Force (ANF), but include at least eleven different law enforcement and paramilitary agencies. Although there were a slight increase in heroin seizures, opium seizures were down by 54 percent in 2002, due in part to the fact that the GOP has prevented the re-emergence of poppy cultivation and heroin/morphine processing laboratories in Pakistan.

There was little progress in 2002 on several extradition cases in which the USG seeks alleged narcotics traffickers and other fugitives, which cases have been pending before judicial authorities for a number of years. Efforts currently underway to enhance border security as a measure against terrorism should help improve law and order along the western border and, if all goes well, extend the Control of Narcotic Substances Act (CNSA) and the Anti Narcotics Force Act (ANFA) into tribal areas in the North West Frontier Province (NWFP). Pakistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Pakistan maintained restrictions on opium poppy cultivation in 2002, largely preserving the gains made since the mid 1990s. An aerial opium poppy survey, conducted in April by NAS, estimated cultivation at 897 hectares, a slight increase from the record low of 213 hectares in 2001. Since that time, NAS verified GOP eradication of at least 275 hectares, leaving a balance of 622 hectares as of the end of the year. This increase in cultivation, which took place in areas along the Afghan border, is linked to the broader resurgence of opium poppy cultivation in Afghanistan. This cultivation takes place in rugged, isolated areas, where tribal populations harbor little sympathy or support for GOP law enforcement programs. The majority of the remaining cultivation is concentrated in inaccessible areas of Khyber Agency, although poppy also was cultivated (and eradicated) in Mohmand and Bajaur Agencies and the Dir District. There were also reports in 2002 of incipient cultivation in areas south of Khyber along the Afghan border.

Pakistan remains a substantial trafficking country for heroin, morphine, and hashish from Afghanistan. This creates enormous problems for GOP border control efforts along the remote 1,450-mile border. Pakistani traffickers also play an important role in financing and organizing opium production in Afghanistan. Successful interdiction operations occur, but drug convoys are small, well guarded, and mobile, with good communications capability and the ability to take advantage of difficult terrain and widely dispersed law enforcement personnel to smuggle drugs through Pakistan. The steady flow of drugs transiting Pakistan has left a social toll, fueling domestic addiction and contributing to persistent low-level corruption. Pakistan has established a chemical controls program that monitors the importation of controlled chemicals. While some diversion of precursors may occur in Pakistan, it is not thought to be a major precursor transit country. No major seizures of acetic anhydride have been made in Pakistan since 1998.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In 2002, the GOP began a major initiative to increase the security and control of its Afghanistan border region. The project is aimed at strengthening security along Pakistan's border by building the capacity of the law enforcement agencies and strengthening their capabilities with a package of much-needed equipment and training. Central to the border security project is the Ministry of Interior's U.S.-supported Air Wing, which is based in Quetta. The Air Wing, built from the ground up in 2002, includes trained pilots and mechanics for five U.S.-supplied Huey II helicopters and will be supplemented in early 2003 by three fixed-wing reconnaissance aircraft. Around the clock air mobility and appropriate unit training will permit Pakistan border security forces to monitor more closely the movement of people and goods across the border and to interdict heavily armed traffickers of narcotics and other contraband.

Pakistan was declared a "poppy-free nation" by the United Nations during the year 2001. Although cultivation levels rose in 2002, the GOP has taken assertive steps to fend off any reversion to the thousands of hectares of poppy grown in the mid-1990s. Countermeasures range from alternative development to forced eradication, fines, arrest of intransigent growers, and even threatened destruction of property. The GOP is engaged with the international community to consolidate the success of alternative development programs in the traditional growing areas and to inhibit the spread of cultivation into new areas. Through U.S.-funded crop control programs in Mohmand and Bajaur agencies, the GOP's Works and Services Department has supervised the construction of roadways and now oversees maintenance and upkeep of these avenues of legitimate commerce. The United States and Pakistan also agreed to a multi-year alternative development program in Khyber Agency and began the construction of roads in previously inaccessible areas within the Agency to implement alternate development programs and to strengthen law enforcement.

Accomplishments. In 2002, the GOP was able to keep the level of opium poppy cultivation very low while it began to strengthen border controls to cut back on trafficking in the face of increased supply from Afghanistan. GOP officials continue to take measures to prevent the re-emergence of heroin or morphine base laboratories. Five special narcotics courts established in 2001 continued to produce commendable results despite limited resources. As of October 31, 2002, the ANF registered 473 narcotics cases in the GOP's court system during the year 2002 and 414 narcotics-related, previously-pending cases were decided, with a 92 percent conviction rate.

Law Enforcement Efforts. The ANF is Pakistan's leading narcotics law enforcement agency. During 2002, the ANF made efforts to address staffing shortfalls, but remains short of personnel, particularly inspectors and constables. The ANF reports that it is operating at 86 percent of authorized strength, with 1,653 of 1,934 authorized personnel. Army and police personnel are currently assigned to the ANF for three-year tours of duty. Specialized training and the formation of a Special Investigative Cell (SIC) or "Vetted Unit" targeting major trafficking organizations have boosted morale. In 2002, the SIC established operations in Lahore, Karachi, and Peshawar and arrested a total of 74 individuals during 2002. The SIC is in the process of adding ten more members to its current squad of 44 personnel. The SIC's performance continues to steadily improve with increasingly sophisticated operations against international drug trafficking organizations.

Pakistan's opium and hashish seizures decreased slightly during 2002, but heroin seizures increased from the previous year. During 2002, GOP security forces seized 8.9 metric tons of heroin, 2.4 metric tons of opium, and 70.7 metric tons of hashish, compared to 8.7 metric tons of heroin, 5.2 metric tons of opium, and 75.9 metric tons of hashish seized in 2001. The number of drug-related arrests also dropped 41 percent from the 2001 level. The GOP attributes the lower seizure rates to the virtual elimination of opium poppy and heroin manufacturing laboratories on national soil.

Other contributing factors that impaired the movement of drugs were the decreasing supply of opiates from Afghanistan during Taliban rule, and the presence of coalition forces in Afghanistan paired with deployment of Pakistani troops along the Pak-Afghan Border. ANF-Baluchistan and the Frontier Corps Baluchistan (FCB) covering the major trafficking routes from Afghanistan, were responsible for more

than 70 percent of the seizures. The United States continues to encourage better interagency coordination among these agencies. Customs offices at Pakistan's international airports have been effective in interdicting heroin couriers of all nationalities belonging to foreign trafficking organizations, many with a Nigerian connection, mostly traveling to Africa, the Middle East (particularly the UAE), and Thailand. Preferred methods of shipment were via ingested capsules or through the use of legal objects (speakers, cards, spools of thread, etc.) impregnated or soaked with heroin and sent through commercial courier services.

Through November 2002, total frozen drug traffickers' assets stood at U.S. \$88.47 million. A total of U.S. \$7.59 million in property belonging to convicted drug traffickers has been forfeited. During the first eleven months of 2002, 21 narcotics smugglers' assets were frozen and 10 narcotics smugglers had their assets forfeited.

Several cases proceeded against major drug traffickers in 2002. Haji Sakhi Dost Jan Notazai was sentenced to life imprisonment, fined \$35,000, and had all of his property confiscated, although the High Court of Baluchistan reduced this punishment upon appeal to 16 years and \$1,750 in fines. The ANF has in turn filed an appeal against the High Court's decision, which appeal will be heard by the Supreme Court of Pakistan. Munawar Hussain Manj, a former member of Pakistan's National Assembly, whose case was concluded in 2001 after five years of proceedings, awaits an appeal in Lahore High Court against his death sentence. The ANF also filed a criminal petition on drug charges against Muhamand Asim Kurd, an ex-Provincial Assembly Member, in an effort to move the case to a jurisdiction where an unbiased trial is more likely. Despite the pending charges, Mr. Kurd ran for office and was re-elected Member of Provincial Assembly, Baluchistan and has been inducted in the Provincial cabinet as a Minister.

Despite the success of the new narcotics courts, the prosecutions of most criminal cases in Pakistan are still protracted. Corruption and low salaries threaten the integrity of law enforcement and judicial institutions throughout Pakistan. Judges grant long continuances; defendants file delaying interlocutory appeals; witnesses are reluctant to testify; and bribery can influence case outcomes. To expedite cases through the court system, the ANF still needs to strengthen its law directorate.

Corruption. Corruption is a problem throughout Pakistani society, and a particular issue in government administration. To check corruption, the President of Pakistan promulgated the National Accountability Bureau (NAB) (Amendment) Ordinance 1999. During the year 2002, the NAB investigated a total of 1,167 cases of corruption, out of which 407 were completed, 198 were closed, and 562 remain in progress. Through this process, the NAB has recovered to date a total of U.S. \$1.6 billion from politicians, businessmen, and civil servants found guilty in special accountability courts.

The United States has no evidence that the GOP and its senior officials encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. With government salaries low and small and large-scale corruption involving smuggled consumer goods endemic, we cannot rule out some narcotics-related corruption.

Agreements and Treaties. Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. The United States is providing counternarcotics and law enforcement assistance to Pakistan under a letter of agreement (LOA) that provides for cooperation in the areas of border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction.

Extradition is carried out under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force for Pakistan following its independence. Several pending U.S. extradition requests have been awaiting court action for many years and no extraditions occurred in 2002. However, the extradition of one individual was approved in the fall of 2002 and GOP investigators and the SIC-assigned prosecutor have stated that they will aggressively pursue newly submitted extradition packages. Nonetheless, lack of

action on those requests by the GOP continues to be a thorn in the side of the U.S.-Pakistan law enforcement relationship.

Under a 1994 MOU, Pakistani and Iranian counternarcotics officials exchange information on narcotics trafficking and cooperate on cross-border narcotics trafficking interdictions. Since 1994, counternarcotics officials of both India and Pakistan have regularly met, during periods of reduced tension, to discuss operational cooperation and cross border flows of precursor chemicals.

Cultivation/Production. 622 hectares of opium poppy were cultivated in the North West Frontier Province (NWFP) in 2002, compared to 213 hectares in 2001. Most of the remaining cultivation took place in the Bara River Valley of Khyber Agency, on the border of Afghanistan's Nangarhar province. The United States estimated potential opium production for 2002 at ca. 14 metric tons, compared to five metric tons in 2001.

Both Afghan-origin hashish and opiates transit through Pakistan. Afghanistan opium poppy cultivation surged to 30,750 hectares in 2002 from an estimated 1,685 hectares in 2001. Due in part to the post-Taliban spike in cultivation across the porous border, Pakistan's importance as a transit country has increased, particularly as a conduit to Turkey and Iran. Afghan opiates trafficked to Europe and North America enter Pakistan's Baluchistan and NWFP provinces and exit either through Iran or Pakistan's Makran coast, or through international airports located in Pakistan's major cities. Traffickers also transit land routes from Baluchistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan province for transit through Central Asia. Pakistani traffickers are also an important source of financing to the poor farmers of Afghanistan who otherwise would not be able to produce opium.

Although seizures were low, intelligence has established that stockpiling continues and that traffickers have adapted a new methodology of transportation. An increase in the price of white heroin in Pakistan to U.S. \$6,000 per kilogram has resulted in the cross border transportation of smaller quantities to reduce the size of seizures and potential loss of investment. This "shotgun" approach has increased the number of transporters who move smaller loads; the seizures of 100-kilo shipments of several years ago have been replaced by seized shipments of 20-100 kilos.

Intensive counternarcotics efforts by the Government of Iran have forced traffickers to find alternative routes, increasing the pressure on routes through Central Asia. Pakistan is a major consumer of Afghan opium, although the majority of the heroin smuggled out of Southwest Asia through Pakistan continues to go to the European market, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement opium production shortfalls in that region. Couriers intercepted in Pakistan this year were en route to Africa, Nepal, Europe, Thailand, and the Middle East.

Domestic Programs (Demand Reduction). In 2002, the UNDCP published the results of a National Drug Abuse Assessment Survey in Pakistan that was undertaken in 2000. This survey partially addresses the paucity of reliable information on the extent of drug addiction within Pakistan. The survey confirms that Pakistan is faced with a significant drug abuse problem, with approximately 500,000 hard-core heroin users and a dangerous shift in use towards injection by needle. The UNDCP has agreed to fund 16 drug treatment and rehabilitation centers throughout Pakistan to treat hard-core and other addicts. However, GOP funding to expand the country's drug treatment facilities and to raise awareness of the dangers of drug abuse remains inadequate.

IV. U.S. Policy Initiatives and Programs

U.S. counternarcotics policy objectives for 2003 are: to work with the GOP to strengthen the security of its borders along Afghanistan, encourage the GOP to eliminate remaining pockets of opium poppy cultivation and discourage any spread of cultivation; to increase interdiction of opiates from Afghanistan; to dismantle major trafficking organizations; to expand demand reduction efforts; to enhance cooperation

regarding the extradition of narcotics fugitives; and to encourage GOP efforts against white collar crime such as money laundering.

Bilateral Cooperation. The United States provided U.S. \$2.37 million in narcotics control assistance to Pakistan in 2002. This amount included U.S. \$1.5 million for the Khyber Area Project and \$500,000 from DEA funds for the Special Investigative Cell (SIC) within the ANF. The United States is assisting GOP efforts to strengthen the security of its borders with Afghanistan under the Border Security Project. This U.S.-funded \$73 million project is providing aviation and ground equipment support to various law enforcement agencies deployed along Afghanistan's border with Pakistan. In addition to narcotics law enforcement, the United States continues to fund crop control projects in Mohmand, Bajaur, and Khyber and public awareness projects in support of Pakistan's demand reduction efforts.

The ANF continues to cooperate effectively with DEA to raise investigative standards. The creation of the SIC, trained and equipped by the United States, represents an important milestone in improving GOP counternarcotics efforts. The SIC investigates complex international counternarcotics cases and coordinates its investigations with U.S. and other international law enforcement agencies. These cases resulted in numerous arrests and seizures and in the disruption of major drug trafficking organizations. To build on this success, the GOP began the process of expanding the SIC in 2002. Strengthening inter-agency cooperation and security of borders remains a priority, particularly in Baluchistan and the NWFP. U.S.-funded crop control projects in NWFP's Mohmand and Bajaur agencies have contributed to the near elimination of poppy cultivation since 2000. Remaining cultivation within Mohmand and Bajaur is negligible.

Pakistan also received counternarcotics assistance from other sources in 2002. Principal among these sources was UNDCP. UNDCP is completing a very successful alternative development project in the Dir District begun in 1994. UNODC's three-year, U.S. \$5.2 million narcotics law enforcement program begun in 1999 has provided modern drug testing equipment, law enforcement training, and computer hardware and networking for a national drug intelligence information system at ANF Headquarters. The UNODC is helping to establish a network of drug treatment and rehabilitation centers, supports drug abuse prevention activities, and has initiated a pilot project to prevent HIV/AIDS transmission among injecting drug users in Karachi.

The Road Ahead. Even with the provision of air and ground mobility and communications capacity through the border security program, the GOP will face an immense challenge in the coming year to interdict the increasing supply of drugs from Afghanistan that pass through an extensive and permeable border into Pakistani territory. The GOP will need to work with the U.S. to develop a strategy to utilize new resources wisely, increase the coordination among the eleven agencies that have counternarcotics responsibilities, and put training to best use. In coordination with the border security program, the U.S. will work with the GOP to put greater emphasis on the development of drug intelligence as it directly relates to trans-border trafficking activity and to target kingpin smuggling operations.

Continued efforts to streamline and reform law enforcement, to investigate and prosecute corruption, and to speed up the pace of the counternarcotics judicial process will also be key to greater success against the drug trade in the future. The United States will continue to work with the GOP to expedite extradition requests and to strengthen Pakistan's ability to attack money laundering, particularly by encouraging the passage of money laundering legislation that meets both UN and Financial Action Task Force standards. The United States will continue efforts to enhance maritime enforcement with the Maritime Security Agency, Coast Guard, Customs, ANF, and countries in the region affected by narcotics trafficking from Afghanistan.

Pakistan Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Opium										
Potential Harvest (ha)	622	213	515	1,570	3,030	4,100	3,400	6,950	7,270	6,280
Eradication (ha)	--	1,484	1,704	1,197	2,194	654	867	0	463	856
Cultivation (ha)	622	1,697	2,219	2,767	5,224	4,754	4,267	6,950	7,733	7,136
Potential Yield (mt)	5	5	11	37	65	85	75	155	160	140
Seizures										
Opium (mt)	2.4	5.2	7.84	16.32	5.02	8.54	8.08	215.52	14.36	4.40
Heroin (mt)	8.9	6.0	7.41	4.98	3.33	5.07	4.05	18.04	6.20	3.9
Hashish/Marijuana (mt)	70.7	53	108.16	81.46	65.33	108.50	201.55	543.58	178.29	189.00
Labs Destroyed	0	0	0	2	0	4	10	15	18	13
Acetic Anhydride (ltr)	0	0	43	422	10,000	5,383				
Arrests	TBD	TBD	35,969	45,175	37,745	50,565	51,119	59,081	48,296	39,763
Users (thousands)										
Opium/Heroin	TBD	TBD						196	1,080	1,080
Opium (since 1995)	TBD	TBD	126	118	110	103	96			
Heroin (since 1995)	TBD	TBD	2,280	2,131	1,992	1,862	1,740			
Cannabis	TBD	TBD	1,307	1,222	1,142	1,068	998	1,745	1,000	1,000
Other Drugs	TBD	TBD	506	473	442	413	386	485	50	50

Sri Lanka

I. Summary:

Sri Lanka has a comparatively modest drug problem. The government maintains a solid counternarcotics record, including a strong nation-wide demand reduction program. The U.S. government has a close relationship with the Sri Lankan government on counternarcotics issues. Supported by the U.S. Embassy, efforts at public education on drug abuse continued during the year. Sri Lanka remained an effective regional player in counternarcotics cooperation. An ongoing ceasefire with the Liberation Tigers of Tamil Eelam (LTTE) has enabled the government to commit more officials to counternarcotics efforts, thus strengthening Sri Lanka's counternarcotics activities. The government continued to make available to other nations in the South Asian Association for Regional Cooperation (SAARC) a U.S. government-funded database on narcotics arrests and related information. Sri Lanka has signed the UN Drug Convention, although Parliament still had not considered the enabling legislation for the convention as of the end of 2002.

II. Status of Country:

Sri Lanka is not a major producer of narcotics or precursor chemicals. Some evidence exists that Sri Lanka may be a transit point for a limited amount of narcotics. With respect to its domestic situation, Sri Lanka has a modest drug problem with continued consumption of heroin and cannabis.

III. Country Actions Against Drugs in 2002

Policy Initiatives. In 2002, the Sri Lankan government continued to maintain a good track record on counternarcotics issues. One primary change affecting operations during 2002 was the December 2001 transfer of jurisdiction of the police—who are responsible for counternarcotics and demand reduction activities—from the Ministry of Defense to the Ministry of Interior. The change in leadership coincided with a cessation of hostilities with the LTTE and was implemented by the new government elected on December 5, 2001. During the 19-year conflict with the LTTE, the police were often called on to assist in prosecuting the war effort against the LTTE. This was clearly evident in the decrease in personnel in police bureaus, including the Police Narcotics Bureau (PNB). The past year has seen the PNB refocus on the Sri Lankan counternarcotics master plan drafted with the assistance of the UN Drug Control Program (UNDCP) and initially implemented in 1994. The PNB increased its staff from approximately 150 officers to just over 200. With the cessation of hostilities between the government and the LTTE, PNB officers were able to focus on counternarcotics investigations instead of being constantly pulled aside for additional duties.

At the end of the year, the government had not yet submitted to Parliament the comprehensive counternarcotics legislative package drafted by the National Dangerous Drugs Control Board (NDDCB), the government agency responsible for coordinating national drug policies. The proposed legislation was being reviewed by the Attorney General's office at year's end. During 2002, the NDDCB, in anticipation of the eventual implementation of its legislative package, was developing monitoring mechanisms for current and upcoming counternarcotics policy goals.

Accomplishments. In January 2001, the Sri Lankan government signed an extradition treaty with the United States. Sri Lanka continued to work with SAARC on regional narcotics issues.

Law Enforcement Efforts. The PNB, the Customs Service, and the Department of Excise share responsibility for discouraging cannabis production. At mid-year, the PNB was forecasting a reduction in the annual seizure rate of narcotics. At year's end, however, a series of seizures, including approximately 20 kilograms of heroin in November, dramatically increased the total amount of narcotics seized.

Corruption. Although there were rumors (nothing confirmed) of bribery of low-level government officials by narcotics dealers in 2002, there was no evidence that public officials engaged in narcotics trafficking. In one case a former police officer was arrested for narcotics trafficking and was awaiting trial at year's end. In 1994, the government established a permanent commission to investigate charges of bribery and corruption against public officials. No narcotics-related corruption cases were reportedly reviewed by this body during 2002.

Agreements and Treaties. Sri Lanka has signed the 1988 UN Drug Convention, and the 1990 SAARC convention on Narcotic Drugs and Psychotropic Substances. Enabling legislation for both conventions, initially drafted by the NDDCB in 1997, still had not reached Parliament at year's end. The Attorney General's office was reviewing the legislation. In January 2001, the Sri Lankan government ratified a new extradition treaty with the United States. Sri Lanka has also signed the following agreements: World Customs Organization Convention; the International Convention on Investigation and Repression of Customs Offences (the Nairobi Convention); the Single Convention on Narcotic Drugs, along with the 1972 Protocol Amending the Single Convention on Narcotic Drugs; and the 1971 Convention on Psychotropic Substance (signed in 1993).

Cultivation and Production. Sri Lanka is only known to produce cannabis, and Sri Lanka's production has little, if any, effect on the United States. Most cannabis cultivation occurs in heavy jungle in the southeastern part of the island, adjacent to previous areas of conflict. The police have an active program to find and destroy cannabis crops.

Drug Flow/Transit. Some heroin reportedly transits Sri Lanka. Unlike 2001, no major seizures occurred at Colombo's international airport. Customs officials and the PNB suspect that narcotics are brought into Sri Lanka by ship from India. During 2002, India reported large-scale seizures of heroin headed for Sri Lanka in Chennai. The PNB regularly stressed their country's vulnerability to transshipment of heroin from India due to Sri Lanka's long coastline. Sri Lanka has no coast guard and the primary operations of Sri Lanka's naval vessels were in efforts to prevent the inflow of weapons to the LTTE. This lack of seagoing capability hinders interdiction efforts.

Domestic Programs. The government has an excellent record on demand reduction. The NDDCB continued its aggressive national public education campaign. In addition, the PNB in conjunction with NGOs, and after U.S. government-funded training through the Colombo Plan, initiated a counternarcotics education campaign in late 2002 in schools nation-wide. The NDDCB, through international and local funding, provides training on prevention techniques and has established four free treatment and rehabilitation centers in Sri Lanka. The courses offered by NDDCB are directed at judicial officers, police officers, students, teachers, and parents. The Colombo Plan also continued extensive rehabilitation and prevention training programs. Until 2002, the Colombo Plan worked primarily with NGOs in Sri Lanka. Due to the ongoing cease-fire, the PNB has been able to allocate more time to training for its personnel and has worked with the Colombo Plan to expand the police officers' focus from only interdiction to include prevention techniques.

IV. U.S. Policy Initiatives and Programs:

Policy Initiatives. The U.S. government has a close relationship with the Sri Lankan government on counternarcotics issues. In addition to providing material and financial support, the U.S. Embassy in Sri Lanka has participated actively in community awareness seminars. The U.S. government hopes to advance self-sufficiency and co-operation among law enforcement and other government officials working on narcotics issues in Sri Lanka and the region. In 2002, several PNB officers participated in an Anti-Terrorist Assistance training program in the United States and Sri Lanka. The U.S. government is the principle contributor to the Colombo Plan's Drug Advisory Program (DAP), providing over \$300,000 to the program in 2002. The funding was used to conduct regional and country-specific training seminars with government and NGO representatives on education, awareness, rehabilitation, and prevention techniques. The DAP also contributed directly to awareness campaigns in Colombo.

Bilateral Cooperation. In previous years, the U.S. government assisted several Sri Lankan organizations in their counternarcotics efforts. In 1998, the U.S. government provided close to \$7,000 for equipment purchases to the NDDCB, the Federation of Non- Governmental Organizations Against Drug Abuse (FONGOADA), and the Sri Lanka Anti-Narcotics Association. In August 2000, more than 30 participants from narcotics enforcement agencies in four countries attended an counternarcotics investigative techniques course in Colombo funded by the U.S. government and conducted by the Drug Enforcement Agency (DEA). In 2002, the U.S. continued to provide training to the Sri Lankan government. In December, for example, the DEA conducted a training program on airport interdiction techniques for 26 participants from Sri Lanka and four participants from the Maldives.

Road Ahead. The U.S. government will continue to work with Sri Lankan counternarcotics organizations whenever possible, particularly by participating in seminars addressing the drug problem. The overall level of U.S. counternarcotics assistance to Sri Lanka is expected to incrementally increase in 2003. The U.S. expects to continue its support of the Colombo Plan, and already has agreements to conduct additional training with the PNB and other government officials involved in counternarcotics efforts.

